

FILE COPY

Office - Supreme Court, U. S.
FILED
OCT 21 1941
CHARLES ELMORE CROPLEY
CLERK

No. 602

In the Supreme Court of the United States

OCTOBER TERM, 1941

THE STATE OF ALABAMA, PETITIONER

v.

**KING & BOOZER, A PARTNERSHIP COMPOSED OF TOM
COBB KING AND SIMON ELBERT BOOZER, RESI-
DENTS OF CALHOUN COUNTY, ALABAMA, AND THE
UNITED STATES OF AMERICA, INTERVENER**

**ON WRIT OF CERTIORARI TO THE SUPREME COURT OF
THE STATE OF ALABAMA**

BRIEF FOR THE UNITED STATES

APPENDIX B

INDEX

	Page
An estimate of tax burdens.....	1
I. Taxes on federal purchases under cost-plus-a-fixed-fee contracts.....	2
A. The state and local tax statutes.....	4
B. Construction contracts.....	9
C. Supply and equipment contracts.....	15
D. Recapitulation and projection.....	19
II. Taxes on purchases made directly by the United States.....	22
III. Total tax liability on government purchases made directly and through cost-plus-a-fixed-fee contractors.....	25
IV. State revenue collections.....	26
State taxing statutes classified as to incidence of the tax and presence or absence of express exemptions of sales to the United States.....	29
Tables:	
I. Expenditures for labor, material, rental of equipment and insurance, and petroleum products by cost-plus-a-fixed-fee prime contractors and cost-plus-a-fixed-fee subcontractors on four hundred and five (405) construction contracts on which construction had begun as of June 15, 1941.....	36
II. Expenditures for gasoline and other motor fuels by cost-plus-a-fixed-fee prime contractors and cost-plus-a-fixed-fee subcontractors on four hundred and five (405) construction contracts on which construction had begun as of June 15, 1941.....	38
III. Estimated cost of operation, labor, material and equipment on one hundred and forty-three (143) cost-plus-a-fixed-fee supply and equipment contracts....	40
IV. Estimated taxes in connection with five hundred and forty-eight (548) cost-plus-a-fixed-fee construction and supply and equipment contracts.....	42

(I)

APPENDIX B

AN ESTIMATE OF TAX BURDENS

A statistical inquiry into the economic advantages of tax immunity and the economic costs of tax liability has only a limited relevance to the issues now before the Court. Such an inquiry may produce results which have much utility for Congress, but the economic study cannot go far to resolve the questions of constitutional implication now before the Court. Yet we have suggested, in the text of our brief, to underscore our view that a waiver of immunity should be left for Congress, that the Court should consider the practical consequences of a decision that the United States loses its immunity from vendee sales taxes when it purchases through a cost-plus-a-fixed-fee contractor (pp. 99-103). And the discussion of the legal problem has evoked numerous rough estimates of the volume of tax liability which is involved. Accordingly, a more exact estimate has been attempted.

In addition to the problems of the cost-plus contracts we have attempted an estimate of the tax liability involved with respect to the purchases of the United States made directly by the various Departments and agencies of the Federal Government.

Finally, we have incorporated statistics showing the comparative amounts of state tax collections during recent years, in an effort to determine the validity of any suggestion that immunization of cost-plus

contractors would result in an undesirable impairment of state revenues.

Even the most accurate of the estimates cannot be regarded as a measure of the future; both the work being accomplished through cost-plus-a-fixed-fee contracts, and the purchases being made by the Government are constantly increasing in volume and varying in character; material costs and wage rates are rising; and the state-taxing statutes themselves are subject to legislative change.

I

TAXES ON FEDERAL PURCHASES UNDER COST-PLUS-A-FIXED-FEE CONTRACTS ¹

Since June 1, 1940, the exigencies of the national-defense program have led ten Government Departments and agencies, in connection with that program, to execute more than 600 cost-plus-a-fixed-fee contracts.²

The contracts are for three types of services: (1) architectural engineering,³ (2) construction,⁴ and

¹ The study embraces only contracts in amounts exceeding \$10,000.

² War Department, Navy Department, Maritime Commission, Public Buildings Administration, Defense Homes Corporation, Defense Plant Corporation, Metals Reserve Corporation, Bureau of Mines, Civil Aeronautics Authority, Farm Security Administration.

³ Preparation of necessary estimates, surveys, designs, drawings, and specifications; consultation with and advice to Contracting Officer and contractor on questions regarding construction in accordance therewith.

⁴ Construction of tent camps, replacement centers, cantonments, hospitals, air bases, housing facilities, miscellaneous troop facilities, ammunition depots, ordnance manufacturing plants, plane factories, ship yards, and ships, naval and commercial.

(3) supply and equipment.⁵ The first group is inconsequential in the present estimate of taxes; the amounts of the contracts are small and the fixed fees, the taxation of which is not now questioned, comprise a large part of the total expenditure.⁶ The second group embraces the greatest portion of the total defense expenditures to date through the cost-plus-a-fixed-fee contract. In the third category the total value of the contracts which have been executed exceeds those in the first and second combined, but the majority of them are in the early stages of performance, and actual expenditures to date are relatively low.⁷

The most accurate figures for computation of probable taxes are available as to construction contracts, and the results of the estimate of taxes on this group is, therefore, presented separately, after analysis of the state tax statutes.

⁵ Manufacture of planes, motors, tanks, armor plate, guns, gun mounts, shells, powder, small arms, small arms ammunition, etc.

⁶ The bulk of all cost-plus-a-fixed-fee architectural and engineering contracts were executed on projects being conducted under the supervision of the Quartermaster General of the War Department, totaling 151 in number and \$74,675,099 in value as of Sept. 12, 1941. The average proportion of fee to reimbursable costs is roughly 25%. The remainder is largely salaries and wages, subject only to gross-income taxes in a few states and the tax on the amounts allocable to these states is inappreciable in computation of taxes on a construction program costing more than six billions of dollars.

⁷ These contracts compose only a part of army and navy supply contracts. Others, on a lump-sum basis, are well along in performance.

A. THE STATE AND LOCAL TAX STATUTES

The state tax statutes used in estimation were chiefly those imposing general sales taxes,⁸ gross receipts taxes, contractor's license taxes, and taxes on motor fuels. Three territorial tax laws and a Philadelphia Ordinance taxing gross receipts are included.⁹ All were selected and classified in conformity with the position taken in the present cases that statutes which impose taxes upon the vendee or consumer may not be applied to purchases by cost-plus-a-fixed-fee contractors. Each was examined to determine whether it was designed to levy a tax upon the seller or the consumer, and in this respect was placed in one of three categories: (1) taxes which the state legislature has imposed upon

⁸ Use taxes which are complementary to general retail sales taxes or to taxes on the sale of motor fuels were not considered separately. The retail sales-tax rates were applied to both interstate and intrastate purchases made by contractors in states having both retail sales tax and use tax statutes. In the four states which have a sales tax but no complementary use tax, special reports were obtained from all construction contractors (with the exception of 3 of the 8 in Illinois) as to the percentage of material purchases which were made entirely within the state. The percentages for each state were averaged, and applied to total material purchases of all contractors in the state. The resultant figure was multiplied by the state sales-tax rate. Arkansas, Illinois, Missouri and West Virginia. Motor-fuel sales taxes were applied to all purchases of such products irrespective of the existence or nonexistence of a complementary use-fuel-tax statute, since all but an insignificant amount were intrastate.

⁹ No attempt was made to include local sales-tax laws, such as those in New York City and New Orleans, since we are without information as to the volume of purchases made therein.

the vendee,¹⁰ (2) taxes which cannot presently be classified under available standards as either vendor or vendees taxes,¹¹ and (3) taxes which the legislature has imposed upon the vendor without requirement or with no more than a suggestion that such

¹⁰ This category includes statutes which by their terms levy a tax initially upon the vendee; statutes which require that the tax be paid by the vendee, although it is collected by the state through the vendor; statutes which have been construed by state administrative authorities or the state courts as levying a tax upon the vendee; statutes which permit the vendee to obtain refunds of taxes or to maintain suits for recovery thereof (even though the vendee may be required to show that he has paid the tax directly or through addition of the amount of the tax to the sales price). The statutes are listed *infra*, Divisions I (a) and I (b), pp. 29-33.

¹¹ This category includes statutes which initially levy a tax upon the vendor but prohibit the vendor from advertising absorption of the tax, require that the tax be billed to the vendee separately from the purchase price, provide that sums received by vendors from vendees through addition of the amount of the tax to the purchase price shall be considered as funds held in trust for the state, and permit the vendee to deduct from amounts paid to the state the amounts of losses suffered through uncollectible accounts. When combined with conflicting indicia that the tax was on the vendor, the presence of a majority of these features was thought to render classification of the tax as either a tax upon the vendee or the vendor unprofitable at this time. Administrative or judicial construction of the statute by state officials or courts as a tax upon the vendor were not accepted as conclusive, although, as stated above in footnote 10, the contrary construction was accepted. In the latter case the construction presents no conflict with the position taken by the Government that taxes on vendees are not applicable to purchases of cost-plus-a-fixed-fee contractors and there is,

taxes be passed on to the purchaser.¹² This classification was made with reasonable care but the result, as to any particular statute, is necessarily tentative.

Many of the statutes in all three categories contain express exemptions of sales to the United States or its instrumentalities or agencies (or provide for refunds, upon application, of taxes paid as to such sales). Accordingly, the taxes in each of the three were subdivided into two groups; those with and those without such exemptions.¹³ Three state legislatures and one territorial legislature have made such exemptions specific as to sales to cost-plus-a-fixed-fee

consequently, no ground for questioning a construction by the states which is based upon reasons satisfactory to themselves. On the other hand the policy of not resisting taxes levied upon vendors requires examination of statutes construed as such to determine whether the construction is warranted by the terms of the act. See *Colorado National Bank of Denver v. Bedford*, 310 U. S. 41. The statutes are listed *infra*. Divisions II (a) and II (b), p. 33.

¹² This category includes statutes which expressly levy a tax upon the vendor and contain none, or very few, of the provisions referred to in footnotes 10 and 11, *supra*. The statutes are listed *infra*, Divisions III (a) and III (b), pp. 33-35.

¹³ Statutes with exemptions appear under subdivisions I (a), II (a), and III (a), *infra*, pp. 29-31, 33-34; those without exemptions appear under subdivisions I (b), II (b), and III (b) *infra*, pp. 31-33, 34-35; provisions for exemption of "sales which the State is prohibited from taxing under the Constitution and laws of the United States" and provisions similarly worded are not considered exemptions for the reason that they do not operate of themselves to exclude any specific sales.

contractors.¹⁴ Six other states whose statutes have no express exemptions have exempted sales to cost-plus-a-fixed-fee contractors by administrative ruling that such sales are immune from state taxation under the Constitution of the United States.¹⁵

On the other hand 15 states whose statutes contain express exemptions of sales to the United States, its agencies or Departments, have taken the position that sales to cost-plus-a-fixed-fee contractors do not fall within this exemption and have sought collection of the tax.¹⁶ At least one state has attempted by specific legislative declaration to exclude sales to cost-plus-a-fixed-fee contractors from an existing statutory

¹⁴ *Kansas*, Motor Fuels Tax; *Minnesota*, Tax and Fee on Motor Vehicle Fuels; *Missouri*, Motor Vehicle Fuel Tax; *Puerto Rico*, Excise Tax on Motor Fuels. The North Carolina Wholesale and Retail Merchants' Sales Tax Act exempts sales of property which enter into any building or structure erected or constructed under any contract with the United States.

¹⁵ *Idaho*, Motor Fuel Tax; *Iowa*, Retail Sales Tax, Motor Vehicle Fuel Tax; *Kansas*, Retailers Sales Tax; *Massachusetts*, Motor Fuels Tax; *Michigan*, Gasoline Tax; *Ohio*, Retail Sales Tax; *South Dakota*, Retail Occupation Sales Tax, Motor Vehicle Fuel Tax.

¹⁶ *Alabama*, Gasoline Tax; *California*, Motor Vehicle Fuel License Tax; *Georgia*, Motor Fuel Tax; *Illinois*, Motor Fuel Tax; *Louisiana*, Gasoline Tax; *Mississippi*, Gross Sales Tax, Gasoline and Oil Tax; *Missouri*, Motor Vehicle Fuel Tax; *Nebraska*, Gasoline Tax; *New Jersey*, Gasoline Tax; *North Dakota*, Gasoline Tax; *Pennsylvania*, Liquid Fuel Tax; *Texas*, Motor Fuel Tax; *Virginia*, Motor Fuel Tax; *Washington*, Business and Occupation Tax, Motor Vehicle Fuel Tax; *Wyoming*, Selective Sales Tax.

exemption of sales to the United States or instrumentalities.¹⁷

In view of this confusion and because of the possibility that many statutory and administrative exemptions will be withdrawn if constitutional impediments are removed, the presence of exemptions is not thought important in estimating the cost of state taxes upon the Federal Government. Should it now appear that such sales are within reach of state taxation, state authorities in many instances will be compelled by law to collect taxes upon them, when such collection is not barred by lapse of the period within which assessments are allowed. Accordingly the tax figures tabulated hereafter in this Appendix do not reflect the existence of any exemptions of the United States from state taxes. However, the complete results of the classification are shown as follows:

¹⁷ California, Sec. 5.1 of the Retail Sales Tax Act of 1933, as amended, provides: "There are hereby specifically exempted from the provisions of this act and from the computation of the amount of taxes levied, assessed, or payable hereunder the gross receipts from the sale of any tangible personal property to the United States or any agency or instrumentality thereof except a corporate agency or a corporate instrumentality."

By an act effective June 11, 1941, the act was amended as follows:

"SECTION 1. A new section, to be numbered 5.3, is hereby added to the Retail Sales Tax Act of 1933, to read as follows:

" 'SEC. 5.3. Notwithstanding any other provisions of law the tax imposed under this act shall apply to the gross receipts from the sale of any tangible personal property to contractors purchasing such property either as the agents of the United States or for their own account and subsequent resale to the United States for use in the performance of contracts with the United States for the construction of improvements on or to real property.' "

	Sales ¹¹	Gross Receipts ¹²	License ¹³	Motor Fuel ¹⁴	Total
Taxes on vendees with exemption.....	6	3	1	23	33
Taxes on vendees without exemption.....	9	4	5	16	34
Taxes unclassified with exemption.....	1			1	2
Taxes unclassified without exemption.....	2			1	3
Total ¹⁵	18	7	6	41	72
Taxes on vendors with exemption.....				6	6
Taxes on vendors without exemption.....	4	1		8	13
Total.....	22	8	6	55	91

¹¹ Includes taxes measured by gross receipts from sales of tangible personal property at retail. Use taxes at same rates were not considered separately.

¹² Includes taxes measured by gross receipts on account of labor or by entire gross receipts less gross receipts on account of tangible personal property on which retail sales tax is imposed. Taxes measured by gross receipts on account of pay-roll reimbursements to cost-plus-a-fixed-fee contractors are not, strictly speaking, "vendor" or "vendee" taxes. They are classified as "vendee" taxes since they are taxes levied upon the contractor directly.

¹³ Includes taxes levied directly on contractors, in a fixed sum or graduated according to the total amount of the contract. Again the "vendor" and "vendee" terminology is descriptively inexact, but license taxes are placed in the "vendee" category, since they are levied directly upon the contractor.

¹⁴ Includes taxes levied specifically upon gasoline and other motor fuels. The insignificance in rate and number of taxes on lubricating oil and kerosene, together with the relatively low total value of purchases of these products, made omission thereof appear advisable. For identical reasons gasoline inspection taxes were omitted.

¹⁵ The total of vendee and unclassified taxes is taken as the possible number of the taxes not applicable to cost-plus-a-fixed-fee contractors.

B. CONSTRUCTION CONTRACTS

The Division of Construction and Public Employment in the Bureau of Labor Statistics, Department of Labor, receives monthly from each contractor and each subcontractor on construction projects a report of expenditures for labor and materials.²³ The

²³ No such reports were received from contractors and subcontractors with the Bureau of Mines. The total value of these six contracts is only \$434,300, and they are not included in our figures. No reports were received on one contract in Iowa; the expenditures shown therefor are entirely estimated. Delay by a few contractors in submission of reports required that estimates be used as to less than 5.5% of expenditures for labor and 8% of expenditures for material, during May 1941. The late reports have substantiated these estimates, reducing the total percentage of estimates to well under 5%.

material reports are itemized in detail, permitting allowance for the exemptions of certain materials provided by some sales tax acts, or the application of different rates and special taxes on particular items.²⁴

From these sources the Bureau of Labor Statistics prepared tables showing the expenditures for labor, materials, rentals and insurance, and petroleum products by all the cost-plus-a-fixed-fee prime contractors, cost-plus-a-fixed-fee subcontractors and lump-sum subcontractors in each state from June 1, 1940, to June 15, 1941.²⁵ These tabulations permitted the elimination of all expenditures by lump-sum subcontractors from our estimate.²⁶ A summary

²⁴ For example Mississippi levies a tax of 2% on the gross income of producers of limestone, sand, gravel, or other minerals, a tax of 1% on the gross income of manufacturers of brick, building tile, cement, clay products, and a tax of 1% on the gross income of contractors, except income arising from sales of materials which become a component part of any structure and which are reported by the seller of the materials; other examples are found in the New Mexico Emergency School Tax Act and the North Carolina Wholesale and Retail Merchants' Sales Tax Act of 1939.

²⁵ The reports are submitted to the Bureau confidentially. Figures were furnished by the Bureau in state totals only, or were supplied anonymously in those instances where individual tabulations were required for computation of license taxes graduated according to the amount of the individual contracts.

²⁶ Expenditures by lump sum subcontractors are included indirectly in computation of taxes upon the cost-plus-a-fixed-fee principal contractor in states having a gross receipts tax upon principal contractors measured by the full amount of the principal contracts. In all other cases expenditures by lump-sum contractors are excluded.

table of major items appears as Table I, *infra*, pp. 36-37.

On June 15, 1941, the work on only a few contracts had been completed; the remainder were in various stages of performance. Estimates of the total cost of completion of each unfinished contract were furnished by the respective Departments or agencies with whom such contracts were in effect. From these the Bureau of Labor Statistics prepared itemized estimates of the expenditures for labor, materials, rentals and insurance, and motor fuels necessary to complete each contract, on the basis of past performance on the individual contracts and ratios derived from long experience with comparable construction contracts. All doubts were resolved in favor of the more conservative figure and the Bureau of Labor Statistics states that the margin of error in the estimates of expenditures on this group of contracts is probably less than 10 percent.

The totals of these estimated expenditures for labor, materials, and motor fuel were tabulated by states in the same form as those prepared for actual reported expenditures to June 15, 1941, and a summary of them appears as part of Table I, *infra*, pp. 36-37.

Possible taxes were then computed by multiplying the items taxable under each state statute by the

applicable tax rate.²⁷ The results of these computations appear as Table IV, *infra*, pp. 42-43; for our purposes they may be summarized, as to all but motor-fuel taxes, as follows:

Estimated sales, gross receipts, and license taxes in connection with the activities of cost-plus-fixed-fee contractors and cost-plus-fixed-fee subcontractors on 405 construction contracts

Classification of tax	Expenditures to June 15, 1941	Estimated expenditures to completion	Total
Taxes on vendees	\$4,090,090	\$6,144,876	\$10,234,936
Taxes unclassified	1,684,671	3,413,883	5,098,554
Total	5,774,731	9,558,759	15,333,490
Taxes on vendors	839,515	944,740	1,784,255
Grand total	6,614,246	10,503,499	17,117,745

²⁷ With some variations called for by individual statutes the general procedure was as follows: (1) In each state having a sales and use tax the total expenditures by cost-plus-a-fixed-fee contractors and cost-plus-a-fixed-fee subcontractors for taxable items of tangible personal property, excluding petroleum products, were multiplied by the rates fixed by the state law. In the four states having no complementary use tax only expenditures for the proportion of purchases reported or estimated by contractors as having been made within the state were used. It has, of course, been impossible to take account of all administrative interpretations defining "retail sales," and "gross income." We have done so to the best of available information and insofar as time permitted. (2) In each state having a gross receipts tax the total amounts of all expenditures by cost-plus-a-fixed-fee contractors and cost-plus-a-fixed-fee subcontractors, including expenditures for rentals and insurance, but less expenditures for petroleum products and materials subject to sales tax, or other items exempted by the individual acts, were multiplied by the tax rate. (3) In each state having a contractor's license tax the license taxes due on each cost-plus-a-fixed-fee contract and each cost-plus-a-fixed-fee subcontract under the state schedule were added to obtain the total license taxes for each state.

In the monthly reports received by the Bureau of Labor Statistics only the total dollar value of the expenditures for petroleum products was reported, affording no basis for computation of motor-fuel taxes, which are measured in terms of gallons. Therefore, itemized statements of unit amounts, and the value of each, of the various types of such products purchased by cost-plus-a-fixed-fee contractors and cost-plus-a-fixed-fee subcontractors on a number of representative contracts were obtained directly from them by the respective Departments or Agencies with whom their contracts were executed.²⁸ From these special reports and ratios obtained therefrom the Bureau tabulated, by States, the purchases of gasoline and other motor fuel by the contractors and subcontractors between June 1, 1940, and June 15, 1941, in terms of value and units. In addition, the purchases to be made from June 15, 1941, to completion of each contract were estimated on the basis of experience ratios and tabulated separately. The result appears as Table II, *infra*, pp. 38-39.

Possible taxes were then computed by multiplying the number of taxable units by the rate in each state. The results appear by states in Table IV, *infra*,

²⁸ The number and distribution of the contracts as to which reports were obtained is as follows: War Department, 77; Navy Department, 137; Federal Works Agency, 20.

pp. 42-43. For our purposes they may again be summarized here as follows:

Estimated taxes on purchases of gasoline and other motor fuels by cost-plus-fixed-fee contractors and cost-plus-fixed-fee subcontractors on 405 construction contracts

	Expenditures June 1, 1940, to June 15, 1941	Estimated expenditures June 15, 1941, to completion	Total
Taxes on vendees	\$1, 486, 240	\$5, 867, 891	\$7, 354, 131
Unclassified	3, 872	287	4, 159
Total	1, 490, 112	5, 868, 178	7, 358, 290
Taxes on vendors	1, 119, 474	922, 439	2, 041, 913
Grand Total	2, 609, 586	6, 790, 617	9, 400, 203

The full amount of the total estimated taxes on motor fuels cannot be taken as the possible cost to the Government, since it is based upon total purchases of motor fuels without allowance for any exemptions of motor fuel not used upon the public highways. The motor fuel tax laws of 39 states contain such exemption and it appears that exemptions might have been claimed as to approximately 80 percent of the purchases in those states.²⁹ We

²⁹ If exempt from motor fuel taxes the sales of the fuel would be subject to general retail sales taxes in states which levy a sales tax. The rates, however, are much lower. The percentage was calculated as follows: The Supervisor in each of the nine construction zones fixed by the Quartermaster General furnished estimates obtained from the contractors in his zone of the percentages of gasoline and the percentages of other motor fuel used on the highways. The averages of the percentages of gasoline and other motor fuel used in all nine zones upon the highways were 23.7% and 12.8%, respectively. Applying these respective percentages to the total value of gasoline and the total value of other motor fuel purchased by all contractors engaged in construction

are without information as to whether, and, if so, to what extent, such exemptions have been claimed by distributors in payment of taxes to the states.³⁰

C. SUPPLY AND EQUIPMENT CONTRACTS

Between June 1, 1940, and September 15, 1941, the War and Navy Departments executed 143 cost-plus-a-fixed-fee contracts for supplies and equipment, including planes, tanks, powder, shells, and other articles of war. An estimate of the possible taxes which might be collected by states from the contractors on these contracts is extremely difficult. The contractors are not required to submit reports of itemized expenditures for materials or labor to

work we obtained the total value of gasoline and the total value of other motor fuels used upon the highways. The sum of these totals divided by the total value of all gasoline and motor fuel purchased gives 19.9% as the average weighted percentage of all such purchases. Taking 19.9% of the total estimated taxes on motor fuels in states having non-highway-use exemptions, \$1,573,238, plus the total of motor fuel taxes in states without such exemptions, \$1,494,484, plus the total of sales taxes collectible on the exempt purchases, \$103,250, we obtain \$3,170,972 as the rough estimate of the possible cost to the Government if exemptions are claimed in all cases where gasoline is not used upon public highways. While this percentage is based solely on War Department contracts, these are sufficiently representative of all the construction work to afford a basis for rough estimate of the value of the exemption.

³⁰ The cost-plus-a-fixed-fee contractors have excluded the amount of taxes from payments to distributors, on the grounds that the purchases were made entirely on behalf of the United States, and hence have had no occasion to request exemptions. Where taxes have been paid by the distributors without claim of such exemption, the right to recovery or refund of the tax paid upon fuel which was not used upon the highways may have been lost by elapse of the period allowed by statute for claim of refund.

any central agency. Operations have not yet begun or are in their primary stages, and many contractors who are engaged in new types of production have no experience bases upon which to project estimates of expenditures for labor and materials. Furthermore, the bulk of materials will not be consumed in manufacture, but will enter into and become a component part of the finished products, and under most sales-tax statutes sales of such materials would not be taxable.¹¹ A number of subcontracts have been let on a lump-sum basis, and the right of the states to collect taxes upon sales of materials to such contractors not being questioned, these must be excluded.

To obtain some basis for estimates a small group of contractors experienced in several types of production were selected. The Government Department with whom their contracts were in force then requested the selected group of contractors for the estimates of the total expenditures to be made for labor, the total expenditures to be made for mate-

¹¹ Sales taxes are generally imposed upon gross receipts from sales of tangible personal property for use or consumption, and "not for resale." Sales of materials or parts intended to be manufactured into or placed in finished products that will then be sold at retail are not taxed. In states which view cost-plus-a-fixed-fee contractors as independent contractors the delivery of finished products under contract constitutes a sale to the United States, and no attempt has yet been made to collect taxes thereon. On the other hand, sales to the contractors of tools, bits, dyes, sandpaper, chemicals, and other materials which are consumed in processing without becoming component parts of finished products are taxable. The problem is to determine what portion of total material purchases will be taxable on this basis, especially in absence of experience records.

rials, and the expenditures to be made for materials which were taxable under the applicable state tax laws.

Upon the basis of such of these estimates as appeared reasonably accurate similar estimates of taxable materials were prepared upon individual contracts for the same type of work, by application of ratios of the value of taxable materials to the total estimated cost of materials. The state tax rates were applied to the figures so obtained.

This procedure was confined largely to contracts for the production of planes, plane parts, and motors. Due to the unsatisfactory nature of reports on other contracts estimates of sales taxes on purchases of materials thereunder were made as follows:

Upon the best estimates obtainable from the Ordnance Departments of the Army and the Navy it was assumed that of the total materials purchased an average of 90 percent would become a component part of the finished product, and in general would not be taxed.³² To the remaining 10 percent of the total value, representing the estimated average value of materials which would be consumed by cost-plus principal contractors and cost-plus subcontractors in manufacture, including tools, the rate of tax in the respective states was applied.³³

³² See footnote 31, above.

³³ Where the state had no complementary use taxes it was assumed that only 10 percent of the material purchases would be intrastate, and, therefore, only 10 percent of the tax as calculated above was included. The 10 percent figure is much below the average of percentages of intrastate purchases actually reported by contractors engaged in construction work in those states: Arkansas, 41%; Illinois, 66%; Missouri, 48%; West Virginia, 70%. However, the types of materials required for supply contracts are less likely to be locally obtainable.

In estimates of gross receipts taxes the applicable state rate was applied to the total of all expenditures for labor.

The result is an estimate of taxes which might be collected through validation of the States claim that cost-plus-a-fixed-fee supply contractors make purchases of materials on their own behalf and sell finished products to the United States.

However, this figure might not accurately reflect the impact of the tax burden upon the United States. If it be held, consistent with the position taken in our brief, that the Government is itself purchasing all the materials necessary for the execution of the contract through the medium of its cost-plus-a-fixed-fee contractors then the United States might be regarded as the ultimate consumer of all materials so acquired and, accordingly, there would be no resale of the finished products to the United States within the meaning of the typical general state sales tax. We, therefore, make an alternative computation of taxes classified on the basis of their legal incidence upon consumable materials and labor and upon the portion of the materials which will constitute a part of the finished product.

The results of these estimates appear below:

Estimated sales and gross-receipts taxes on 143 cost-plus-fixed-fee supply and equipment contracts executed prior to September 15, 1941

Classification of Tax	Tax on consumable materials ²⁴ and labor	Tax on remainder of materials ²⁴	Total
Taxes on Vendees.....	\$4,167,958	\$2,843,654	\$7,011,612
Taxes unclassified.....	1,095,730	9,048,342	10,144,072
Total.....	5,263,688	11,891,996	17,155,684
Taxes on Vendors.....	2,164,541	5,595,386	7,759,927
Grand Total.....	7,428,229	17,487,382	24,915,611

²⁴ Including equipment.

²⁵ These taxes do not appear in Table IV, *Taira*, pp. 42-43, nor in the table of recapitulation, *infra*, p. 19.

Motor fuel and contractors license taxes were not considered in connection with supply contracts; the small amount of motor fuel purchased is not used upon the highways, and the license taxes which we have considered are generally confined to construction contractors.

RECAPITULATION AND PROJECTION

We set forth below by way of recapitulation a tabulation of the total state sales, use, gross receipts and similar taxes involved in the operations of the cost-plus-a-fixed-fee contractors (exclusive of any state taxes upon the contractors' fixed fee) under 548 construction and supply and equipment contracts. With a few exceptions, these embrace all cost-plus-a-fixed-fee construction contracts let by the United States Government prior to June 15, 1941, and all cost-plus-a-fixed-fee supply contracts executed prior to September 15, 1941. The total estimated cost of the 548 contracts is \$6,720,929,777.

Estimated sales, gross receipts and motor-fuel taxes on activities of cost-plus-a-fixed-fee prime contractors and cost-plus-a-fixed-fee subcontractors on 548 construction and supply and equipment contracts

Classification of Tax	Motor Fuel Taxes	All Other Taxes	Total
Taxes on Vendees.....	\$7,354,131	\$14,402,894	\$21,757,025
Taxes Unclassified.....	4,159	6,194,284	6,198,443
Total.....	7,358,290	20,597,178	27,955,468
Taxes on Vendors.....	2,041,913	3,948,796	5,990,709
Grand Total.....	9,400,203	24,545,974	33,946,177

From the above table we may obtain the following estimates of the effect of the possible alternative decisions by this court, in terms of their cost to the United States on these 548 contracts:

(1) Should it be held, in accordance with the argument in our main brief, that with respect to activities of the United States through its cost-plus-a-fixed-fee contractors the states may collect taxes levied upon vendors, but not taxes levied upon vendees, the Government will be relieved of taxes totalling \$21,757,025. Assuming that the "taxes unclassified" will be construed as vendee taxes this saving would be increased to \$27,955,468. At the same time the Government will pay taxes totalling \$5,990,709.

(2) On the other hand, should it be held that the cost-plus-a-fixed-fee contractor is an independent contractor for the purposes of state taxation the cost would be \$33,946,177.

(3) If it should be held that the purchases under cost-plus-a-fixed-fee contracts are in reality the purchases of the United States, but that the United States is subject only to vendors taxes thereon the figure of \$5,990,709 shown in table above must be increased by \$5,595,368, shown in the table of estimated taxes on supply and equipment contracts (*supra*, p. 18) as the estimate of vendors' taxes on materials which United States purchases for inclusion into its manufactured products, giving a total of \$11,586,095.

(4) If it is held that the United States is subject to all taxes upon purchases through its cost-plus-a-fixed-fee contractors, the total cost would be the total shown in the above table plus all taxes on materials purchased under the supply contracts which it would consume by inclusion into its finished products

(*supra*, p. 18) and the final figure would be \$51,433,-559.

There is no entirely satisfactory basis upon which to make estimates of future costs to the United States of taxes upon cost-plus-fixed-fee contracts. It is now estimated, very roughly, that a total of eighteen billion dollars will be expended during the fiscal year 1942 for the types of construction and production which may be accomplished through the medium of cost-plus-a-fixed-fee contracts. Although exact figures are not available the best estimates obtainable indicate that \$7,625,000,000 have already been included in our figures upon a lump-sum basis. The difference or \$15,375,000,000 is the best present estimate of the total value of expenditures now authorized which it seems likely will be made through cost-plus contracts during the fiscal year 1942.

Upon the basis of the relation of our tax figures to the total expenditures under the 548 contracts which we have covered,³⁶ we may estimate additional tax costs, for the year 1942, as follows:

Taxes on Vendees.....	\$42, 000, 000
Taxes Unclassified.....	12, 000, 000
Total.....	54, 000, 000
Taxes on Vendors.....	11, 500, 000
Grand total.....	65, 500, 000

³⁶ Our figures are based upon contracts having a total value of \$6,720,929,777. The ratio of estimated possible taxes of each category, as shown in the tabular recapitulation (*supra*, p. 19), to the total value of the contracts, is .00323, .00092, and .00089, respectively. These ratios are applied to the estimated expenditures of \$13,000,000,000.

II

TAXES ON PURCHASES MADE DIRECTLY BY THE UNITED STATES

The Bureau of Labor Statistics prepared from its files a table of all Government purchase contracts having a value in excess of \$10,000 during the years 1939 and 1940 and the first two quarters of 1941.³⁷ Figures showing the point of sale or delivery, by states, of all such purchases could not be obtained. However, figures tabulated according to the state within which delivery was made were obtained as to the portion of these purchases which were made by the Works Projects Administration during the named periods. Its purchases comprised approximately one-fourth of the total during the years 1939 and 1940, and a lesser percentage during the first two quarters of 1941. From these two tabulations some estimate of sales and use taxes on all Government purchases was possible.

The sales-tax rates were applied to all purchases of materials by the Work Projects Administration, excluding food products,³⁸ in 18 states having complementary use taxes. In the 4 states having no use taxes it was assumed that no more than 10 percent of

³⁷ See the following table:

	1939	1940	1941	Total
Value of motor fuels purchased by government	\$21, 599, 518	\$25, 136, 773	\$27, 646, 321	\$74, 382, 612
Value of all other purchases, less food products, planes, and naval vessels	361, 174, 383	1, 821, 779, 663	1, 588, 047, 034	3, 781, 901, 080
Total	383, 573, 901	1, 856, 916, 436	1, 615, 693, 355	4, 556, 183, 692

³⁸ Sales of food products are generally exempted from retail sales taxes.

the purchases were intrastate, and the sales-tax rate was applied to 10 percent of the total value of its purchases. The taxes so computed, for each of the 22 states having sales taxes, for the years 1939, 1940, and the first half of 1941 were then totalled, and the total tax for each year was divided by the total value of purchases made by the Work Projects Administration during each of the respective periods. Thus, we obtained for each of these periods the ratio which the taxes calculated on its purchases bore to its total purchases.³⁹

Applying these ratios to the total of all Government purchases, excluding purchases of food products, aircraft and naval vessels,⁴⁰ during the same periods, including the purchases of the Work Projects Administration, we obtained figures which approximate to some degree the savings which the United States derived from immunity of its purchases during these periods. On the basis of our previous computations these figures were apportioned as vendee, vendor, or unclassified taxes.⁴¹

To approximate possible taxes on purchases of motor fuels by the United States we divided the total

³⁹ These ratios were 1.036, 1.068, and .982, respectively.

⁴⁰ Some of these were embraced by our figures on construction and supply contracts. The exact proportion was not ascertainable, so all were excluded.

⁴¹ The total of sales taxes shown on Table IV, *infra*, pp. 42-43, \$18,780,459, plus sales tax on materials not consumed in supply contracts, *supra*, p. 18, is \$36,267,841. Of this total 15.64 percent was collected under statutes classified as levying a tax upon the vendee, 42.03 percent under statutes which could not be classified, and 42.33 percent under statutes which imposed the tax upon the vendor. Taking these percentages of the total estimated sales taxes on property purchased directly by the United States we obtain a representative apportionment.

amount of taxes computed as described above upon the motor fuels purchased by cost-plus-a-fixed-fee contractors by the total amount of all purchases of cost-plus-a-fixed-fee contractors in all states, obtaining a ratio of the taxes to the total dollar value of purchases. Applying this ratio to the total dollar value of purchases of motor fuel furnished by the Bureau of Labor Statistics for the years 1939, 1940, and the first two quarters of 1941, we obtained an approximation of the savings to the United States derived from immunity of these purchases. Again the estimates were apportioned as vendee, vendor, or unclassified taxes.⁴²

The results of these estimates appear as follows:

Estimated sales taxes and motor-fuel taxes on direct purchases by the United States during 1939, 1940, and the first two quarters of 1941

MOTOR FUEL

Classification of Tax	1939	1940	1941	Total
Taxes on Vendee.....	\$16,897,203	\$19,064,498	\$21,627,717	\$58,189,518
Taxes Unclassified.....	10,800	12,502	13,523	37,191
Total.....	16,908,103	19,677,006	21,641,540	58,226,709
Taxes on Vendor.....	4,691,415	5,459,707	6,004,781	16,155,903
Grand Total.....	21,599,518	25,136,773	27,646,321	74,382,612

⁴² The total of all taxes upon motor fuels purchased in connection with the construction contracts was \$9,400,203, *supra*, p. 14. Of this sum 78.23 percent was collected under statutes classified as levying a tax upon the vendee, .05 percent under statutes which could not be classified, and 21.72 percent under statutes which imposed the tax upon the vendor. Taking these percentages of the total estimated taxes upon motor fuels purchased directly by the United States we obtain a representative apportionment according to our classification of the various statutes.

SALES TAXES

	1939	1940	1941	Total
Taxes on Vendee.....	\$596,508	\$3,039,717	\$2,438,999	\$5,085,224
Taxes Unclassified.....	1,576,148	8,222,500	6,584,420	16,353,068
Total.....	2,162,656	11,262,217	8,993,419	22,438,292
Taxes on Vendor.....	1,587,398	8,281,190	6,607,203	16,465,791
Grand Total.....	3,750,054	19,563,407	15,591,622	38,908,083
Total All Taxes.....	24,909,572	44,700,180	43,592,543	113,290,695

III

**TOTAL TAX LIABILITY ON GOVERNMENT PURCHASES
MADE DIRECTLY AND THROUGH COST-PLUS-A-FIXED-
FEE CONTRACTORS**

In Point I we have estimated the total tax liability involved, with respect to vendee and unclassified taxes alone, upon cost-plus-a-fixed-fee contractors as about \$27,955,468 upon the contracts now in force (*supra*, p. 19). We have suggested that the total tax liability, including that upon existing and new cost-plus contracts, may reach \$54,000,000 during the fiscal year 1942 (*supra*, p. 21).⁴³ This is the measure of the added tax liability which turns upon Point III of our brief, pp. 81-117.

In Point II of this Appendix, we have estimated that vendee and unclassified sales taxes upon the purchases which the Government makes directly through the regular government departments and agencies, would approximate \$30,634,959 for the first six months of 1941 (*supra*, p. 25). This indicates a potential liability for these taxes of over \$65,000,000 for the fiscal year 1942, since the vol-

⁴³ If the unclassified taxes are excluded, the liability for vendee taxes alone will be about \$21,757,025 for the contracts now in force (*supra*, p. 19), and \$42,000,000 for the fiscal year 1942 (*supra*, p. 21).

ume of purchases is rapidly increasing. Adding the above liability for purchases through the cost-plus-a-fixed-fee contractors, and including an estimate to reflect the added liability under cost-plus-supply contracts (*supra*, p. 18), a total liability of about \$137,000,000 may be supposed to represent the tax liability which would be incurred for the fiscal year 1942 if the court below were to be reversed on Point II of our brief, pp. 36-81.⁴⁴

IV

STATE REVENUE COLLECTIONS

The suggestion that inability of states to tax the activities of cost-plus-a-fixed-fee contractors may result in impairment of state revenues is evidently based upon the premise that defense activities are enveloping an ever-increasing volume of industrial and commercial activity. It ignores the fact that many contracts have been let upon a lump-sum basis, with an aggregate value approximating that of the cost-plus-a-fixed-fee contracts, and that no question has been raised as to the right of states to collect taxes upon the activities under such contracts. It also disregards the increase of consumer spending which flows from increased Government spending, an increase which will be indirectly reflected in many different types of state taxes.

A comparison of state tax collections for the fiscal years 1939, 1940, and 1941 shows clearly that the revenues of nearly all states are steadily increasing.

⁴⁴ If unclassified taxes are excluded, the liability of the Government for vendee taxes would be \$24,066,716 for the first six months of 1941 (*supra*, p. 25), and more than \$50,000,000 for the fiscal year 1942. Adding the cost-plus contract liability for the fiscal year 1942, a total of about \$97,000,000 would be represented for that year by vendee taxes alone.

A comparative statement of collections in all states having a fiscal year ending June 30, 1941, was prepared by the Division of State and Local Government of the Bureau of the Census and is here reprinted.

State tax collections, 1939, 1940, and 1941 (fiscal years ending June 30, in thousands of dollars)

	TOTAL TAXES REPORTED			TOTAL SALES TAXES		
	1939	1940	1941	1939	1940	1941
United States.....	\$3,968,569	\$4,170,813	\$4,460,000	\$1,484,726	\$1,647,377	\$1,805,000
Alabama.....	49,914	55,134	(1)	23,736	26,792	-----
Arizona.....	17,428	20,194	(2)	9,123	10,018	-----
Arkansas.....	31,333	34,111	(2)	18,167	20,563	22,086
California.....	317,566	330,848	368,911	145,732	155,224	175,984
Colorado.....	36,235	39,826	42,192	18,151	20,598	20,088
Connecticut.....	55,928	61,944	64,130	14,973	17,980	19,683
Delaware.....	11,981	13,169	13,069	2,690	2,862	3,185
Florida.....	57,900	60,697	(1)	28,240	29,772	-----
Georgia.....	50,997	52,925	59,973	24,410	27,990	31,859
Idaho.....	12,159	14,053	14,915	4,780	5,570	5,872
Illinois.....	249,156	270,148	280,872	129,267	145,599	156,205
Indiana.....	92,240	100,514	103,577	47,309	53,021	58,118
Iowa.....	70,449	72,906	74,845	35,065	37,063	38,817
Kansas.....	41,847	43,352	45,137	21,478	21,958	24,123
Kentucky.....	51,726	53,404	60,553	20,009	20,976	24,003
Louisiana.....	79,953	81,420	(1)	33,369	35,785	37,450
Maine.....	23,783	24,646	(2)	6,675	7,399	-----
Maryland.....	47,739	56,899	(1)	14,661	16,792	-----
Massachusetts.....	144,629	158,726	(1)	27,153	36,963	-----
Michigan.....	176,173	194,199	229,366	94,660	98,909	112,496
Minnesota.....	83,489	89,470	92,059	24,193	23,631	24,037
Mississippi.....	29,431	35,185	37,685	19,816	22,966	24,692
Missouri.....	88,638	92,825	(1)	38,729	41,724	-----
Montana.....	13,689	14,954	16,304	5,220	5,795	6,170
Nebraska.....	25,460	28,609	(2)	13,065	13,598	13,733
Nevada.....	4,491	4,657	4,840	1,415	1,709	1,876
New Hampshire.....	15,179	15,844	15,957	3,973	5,381	5,549
New Jersey.....	135,708	153,828	163,394	30,867	32,660	34,318
New Mexico.....	15,479	17,578	18,519	8,195	9,892	10,403
New York.....	535,422	587,735	614,837	102,410	126,900	137,736
North Carolina.....	79,860	86,240	90,532	36,607	40,316	46,823
North Dakota.....	12,347	14,062	16,094	6,738	7,067	8,580
Ohio.....	247,230	265,327	(1)	124,443	138,869	-----
Oklahoma.....	61,342	71,879	62,858	28,980	29,618	32,555
Oregon.....	29,031	31,825	35,964	10,706	12,982	12,768
Pennsylvania.....	314,492	337,326	(2)	81,550	83,290	-----
Rhode Island.....	21,756	26,571	(2)	4,439	5,249	-----
South Carolina.....	33,064	34,637	39,196	18,435	20,595	23,605
South Dakota.....	16,023	17,401	(2)	9,889	11,839	12,572
Tennessee.....	49,039	51,826	55,309	22,594	24,697	27,865
Texas.....	126,115	144,696	(1)	56,902	59,306	-----

¹ Fiscal year ending later than June 30, 1941.

² Reports not complete on all taxes; totals not yet available.

³ No reports yet received for 1941.

*State tax collections, 1939, 1940, and 1941 (fiscal years ending June 30,
in thousands of dollars)—Continued*

	TOTAL TAXES REPORTED			TOTAL SALES TAXES		
	1939	1940	1941	1939	1940	1941
Utah.....	\$17,992	\$19,733	\$21,170	\$7,785	\$8,571	\$9,276
Vermont.....	11,359	11,641	12,393	3,791	4,160	4,392
Virginia.....	57,278	56,808	63,911	18,667	19,869	20,312
Washington.....	63,387	60,359	76,112	35,782	42,547	47,327
West Virginia.....	53,069	56,236	(¹)	27,847	30,438
Wisconsin.....	91,064	97,266	106,831	25,377	29,911	31,884
Wyoming.....	8,579	8,160	(¹)	4,764	5,044

¹ Fiscal year ending later than June 30, 1941.

² No reports yet received for 1941.

TABULAR ANNEX

State Taxing Statutes classified as to incidence of the tax and presence or absence of express exemptions of Sales to the United States:

I. TAXES ON VENDEES

(a) *With exemptions.*—*Arizona*, Motor Vehicle Fuel Tax, Revised Code of Arizona, 1928, Sec. 1673, as added by Laws of 1931 (1st Special Session), c. 16, Sec. 1, and amended by Laws of 1933, c. 27, Sec. 2; *California*, Motor Vehicle fuel License Tax Act, California General Laws (Deering, 1937), Act 2964, as amended; *Colorado*, Emergency Retail Sales Tax Act of 1935, Session Laws of Colorado, 1935, c. 189, as extended by Initiated Measure No. 4, Sec. 5; Motor Fuel Sales Tax, Colorado Statutes Annotated (Michie, 1935), c. 16, Secs. 281 et seq., as amended (Michie, 1940) Supp.; *Connecticut*, Motor Vehicle Fuel Tax, General Statutes of Connecticut, Revision of 1930, Sec. 1659 et seq., as amended; *Delaware*, Motor Fuels Tax, Revised Code of Delaware, 1935, Secs. 207 et seq.; *Illinois*, Motor Fuel Tax Laws of 1929, p. 625 (Smith-Hurd Revised Statutes, 1934, c. 120, Sec. 417); *Kansas*, Motor Fuel Tax Law, General Statutes of Kansas, 1935, Sec. 79-3401, as amended; *Kentucky*, Gasoline Tax, Kentucky Acts of 1936 (3rd Special Session), House Bill, 41, effective June 1, 1936; *Minnesota*, Tax and Fee on Motor Vehicle Fuels, Mason's Minnesota Statutes, 1927,

1940 Supp., c. 13, Sec. 2720-70, as amended; *Mississippi*, Emergency Revenue Act of 1934 (Gross Sales), General Laws of Mississippi, c. 119; Gasoline and Oil Tax, General Laws of Mississippi, 1936, c. 162, as amended; *Missouri*, Motor Vehicle Fuel Tax, Revised Statutes of Missouri, 1939, Sec. 8413 et seq., as amended; *Montana*, Gasoline License Tax, Revised Codes of Montana, 1935, Anno., Sec. 2381.12 et seq., as amended; *Nevada*, Motor Vehicle Fuel Tax Statutes of Nevada, 1935, c. 74, Sec. 2 et seq.; *New Jersey*, Motor Fuels Tax, Revised Statutes of New Jersey, 1937, Title 54, c. 39, Sec. 27 et seq.; *New Mexico*, Motor Fuel Tax, Laws of New Mexico, 1937, c. 83, Sec. 2 et seq., as amended; License Tax—Contractors, Laws of 1939, c. 197, effective 6/10/39; Privilege—"Emergency School Tax Act"—Gross Receipts (as applied to contractors), Laws of 1935, c. 73, Art. 2, Sec. 201, as amended; *North Carolina*, Wholesale and Retail Merchants' Sales Tax—"Sales Tax Article of 1939," Revenue Act of 1939, Schedule E, Art. V, effective 7/1/39, as amended; *Ohio*, Gasoline Tax, Page's Ohio General Code, Vol. 4, Sec. 5527 et seq.; *Oklahoma*, Gasoline Tax, Session Laws of 1939, H. B. 415, effective 5/31/39, Sec. 2 et seq., as amended; Sales Tax Act of 1941, Laws of Oklahoma, 1941, H. B. 224, effective 6/1/41, Sec. 5 et seq., as amended; *Oregon*, Gasoline Tax, Oregon Compiled Laws Annotated, Vol. 7, Sec. 110-1702, et seq., as amended; *Pennsylvania*, Liquid Fuel Tax Act, 72 Purdon's Pennsylvania Statutes Annotated, Sec. 2611; *Virginia*, Motor Fuel Tax Acts of Assembly of Virginia, 1932, c. 212, Sec. 5, et seq.; *Washington*, Petroleum Products Tax, Laws of 1933, c. 58, Sec. 5, et

seq., as amended; Occupation and Sales Tax or Excise of 1935, Remington's Revised Statutes of Washington, Annotated, Vol. 9, Sec. 8370-1, et seq. (as applied to contractors); *West Virginia*, General Consumers Sales Tax, Acts of West Virginia, 1937, H. B. 60, c. 108, Art. 15, Sec. 3, et seq.; *Wisconsin*, Motor Fuel Tax Law, Wisconsin Statutes, c. 78, Sec. 78.02, et seq., as amended; *Wyoming*, Selective Sales Tax Act of 1937, Laws of Wyoming, 1937, c. 102, Sec. 4, et seq., as amended; *Hawaii*, Fuel Tax, Revenue Laws of Hawaii, 1935, c. 64, Sec. 2013, et seq., as amended.

(b) *Without exemptions.*—*Alabama*, Consumers' Sales Tax, General Acts of Alabama, 1939, No. 18, effective March 1, 1939; *Arizona*, Gross Income Tax, Laws of Arizona, 1935, c. 77 (H. B. 118) (cited as "The Excise Revenue Act of 1935") (as applied to contractors); *Arkansas*, The Arkansas Retail Sales Tax Law, Pope's Digest of the Statutes of Arkansas, 1937, Art. 154 of 1937, approved and effective July 1, 1941, as amended by Act 369 of 1939; *Delaware*, Business Occupations Tax (as applied to contractors), Revised Code of Delaware, 1935, Secs. 196, et seq.; *Florida*, General License Tax Act of 1937, Laws of Florida, 1937, c. 18011, Sec. 11; Gasoline Tax, General Laws of Florida, 1931, c. 15659; *Idaho*, Motor Fuels Tax, Session Laws of 1933, c. 46 (H. B. 20); *Indiana*, Gross Income Tax Act of 1933, Acts of Indiana, 1933, c. 50, as amended; Gasoline Tax Acts of Indiana, 1923, c. 182; *Iowa*, Motor Vehicle Fuel-Tax, Code of 1939, T. XIII, Sec. 509301, c. 251.3, et seq.; *Kansas*, Kansas Retailers' Sales Tax Act, 1939 Supplement to General Statutes of Kansas, 1935, c. 79, Art. 36; *Ken-*

tucky, Motor Fuels Tax, Kentucky Acts of 1936 (3d Special Sess.), H. B. 63, effective May 19, 1936; *Louisiana*, Public Welfare Revenue Act (Sales Use Tax) Act 2 of Legislature 1938, Repealed by Act 82 of 1940, effective 12/31/40; Contractors License Tax, Act 15 of Third Special Session of 1934, effective January 9, 1935, as amended; *Maine*, Gasoline Tax, Revised Statutes of Maine, 1930, c. 12, Sec. 79, et seq.; *Maryland*, Motor Vehicle Fuel Tax, Annotated Code of Maryland, 1939, Ed., Art. 81, Secs. 240, et seq.; *Massachusetts*, Motor Fuels Tax, General Laws of Massachusetts (Ter. Ed.), c. 64-A, as amended; *Michigan*, Gasoline Tax, Compiled Laws of Michigan, 1929, c. 60, Secs. 3576, et seq.; *Missouri*, Sales Tax, Revised Statutes of Missouri, 1939, Sec. 11408, et seq.; *New Hampshire*, Motor Vehicle Road Tolls, Public Laws of New Hampshire, 1926, c. 104, Sec. 4, et seq.; *New York*, Motor Fuel Tax, Cahill's Consolidated Laws of New York, 1930, c. 61, Art. 12-A, Sec. 284, et seq., as amended; *North Carolina*, License Taxes, Public Laws of North Carolina, c. 158, Art. II, Schedule B, effective May 31, 1939, Sec. 122; *Ohio*, Retail Sales Tax, Page's Ohio General Code, Vol. 4, Sec. 5546-2, et seq. as amended; *South Carolina*, Gasoline Tax, Code of South Carolina, 1932, Vol. II, Sec. 2505; Contractors Tax, Code of South Carolina, 1932, Vol. II, Sec. 2543; *Philadelphia*, Ordinance Imposing a tax on Salaries, Wages, and Commissions, approved December 13, 1939; *South Dakota*, Motor Vehicle Fuel Tax, South Dakota Code of 1939, Sec. 57.3802, et seq.; Retail Occupational Sales Tax, South Dakota Code of 1939, Sec. 57.3201 et seq.; as amended; *Texas*, Motor Fuel Tax,

Laws of 1941, H. B. 8, Art. XVII, effective 5/31/41, Sec. 2, et seq.; *Utah*, "Emergency Revenue Act of 1933"—Sales, Laws of Utah, 1933, c. 63, Sec. 4, et seq.; *Vermont*, Motor Fuel (Gasoline) Tax, Public Laws of Vermont, 1933, c. 52, Sec. 1228, et seq.; *Washington*, Retail Sales Tax, Revenue Act of 1935 (Laws of 1935, c. 180, Title 3, Remington's Revised Statutes, Sec. 8370-16 et seq., as amended; *West Virginia*, Gasoline Tax, Official Code of West Virginia, 1931, c. 11, Art. 14, Sec. 3, et seq., as amended; Gross Sales Tax (as applied to contractors), Code of West Virginia, c. 11, Art. 13, Sec. 2, as amended.

II. TAXES UNCLASSIFIED

(a) *With exemptions*.—*North Dakota*, Gasoline Tax, Initiated Measure adopted June 30, 1926, Sec. 2, as amended; *New Mexico*, Privilege—"Emergency School Tax Act"—Gross Receipts (as applied to retailers), Laws of New Mexico, 1935, c. 73, Art. 2, Sec. 201, as amended.

(b) *Without exemptions*.—*California*, Retail Sales Tax Act of 1933, California Statutes, 1939, c. 679, as amended by Moratorium Sec. enacted 6/11/41; *Iowa*, Income, Corporation and Sales Tax Code of Iowa, T. XVI, Division IV, c. 329.3, Sec. 6943.073; *Wyoming*, Gasoline Tax, Wyoming Revised Statutes, 1931, Sec. 115-1102, et seq., as amended.

III. TAXES ON VENDORS

(a) *With exemptions*.—*Alabama*, Tax on Motor Fuels other than Gasoline, General Acts of Alabama, 1939, Act No. 590, effective August 1, 1940; *Arkansas*, Motor Fuel Tax Law, Act 383 of 1941, effective July 1, 1941.

(A reenactment of a former law. Act of 1934 (Special Session) effective 2/12/1934); *Georgia*, Motor Fuel Tax Law, Georgia Code, 1933, c. 92-14, as reenacted by Laws of 1937, Act. 191, p. 167; *Louisiana*, Motor Fuel Tax, Louisiana General Statutes (Dart), c. 48; *Nebraska*, Gas Tax, Compiled Statutes of Nebraska, 1937, Sec. 66-401 et seq., as amended; *Puerto Rico*, Gasoline Tax, Act No. 170 of May 13, 1941, amending Secs 1 and 2 of Act No. 40 of April 24, 1931, as found in the Laws of Puerto Rico for 1941.

(b) *Without exemptions.*—*Alabama*, Gasoline Tax, General Acts of Alabama, 1932, No. 324, p. 315; *Arizona*, "The Excise Revenue Act of 1935"—(Gross Income) (as applied to retailers), Laws of Arizona, 1935, c. 77 (H. B. 118); *Florida*, Additional Gasoline Tax, Laws of Florida, 1941, c. 20228, effective July 1, 1941; *Illinois*, Retailers' Occupation Tax Act (Sales), Laws of Illinois, 1933, p. 924, S. B. 665, effective July 1, 1933, as amended; *Louisiana*, Gasoline Tax Law, Act No. 15 of the Extra Session of 1934, as amended by Act No. 4 of the Extra Session of 1935; *Michigan*, General Sales Tax Act, Public Acts of Michigan, 1933, No. 167; *North Carolina* Motor Fuel Tax, Public Laws of North Carolina, 1927, c. 93, Sec. 4, et seq., as amended; *Rhode Island*, Gasoline Tax, General Laws of Rhode Island, 1938, c. 45, Sec. 4, et seq., as amended; *South Carolina*, Gasoline Tax, Code of South Carolina, 1932, Vol. II, Sec. 2505, as amended; *Tennessee*, Gasoline Tax, Code of Tennessee, Sec. 1127, et seq., as amended; Contractors Tax, Tennessee Public Acts of 1937, c. 108, Art. II, Sec. 1, Item 27; *Utah*, Motor Fuels Tax, Revised Statutes of

Utah, 1933, Sec. 57-12-5, et seq., as amended; *Washington*, Occupation and Sales Tax or Excise of 1935 (as applied to retailers), Remington's Revised Statutes of Washington, Annotated, Vol. 9, Sec. 8370-1, et seq., as amended; *West Virginia*, Gross Sales Tax, Code of West Virginia, c. 11, Art. 13, Sec. 2, as amended (as applied to retailers); *Hawaii*, General Excise Tax Law, Session Laws of 1935, c. 64 (a), Sec. 2025 (b), as amended.

TABLE I.—Expenditures for labor, material, rental of equipment and insurance, and petroleum products by cost-plus-fixed-fee prime contractors and cost-plus-fixed-fee subcontractors on four hundred and five (405) construction contracts on which construction had begun as of June 15, 1941

[Prepared in the Bureau of Labor Statistics, Division of Construction and Public Employment, U. S. Department of Labor]

State	Num-ber of con-tracts	Total cost including fixed-fee	Expenditures to June 15, 1941, by cost-plus-fixed-fee contractors and cost-plus-fixed-fee subcontractors				Estimated expenditures from June 15, 1941, to com-pletion by cost-plus-fixed-fee contractors and cost-plus-fixed-fee subcontractors			
			Labor	Material	Rental and insurance	Petroleum products	Labor	Material	Rental and insurance	Petroleum products
Grand total.....	405	\$3, 118, 786, 853	\$450, 060, 523	\$697, 238, 976	\$17, 170, 629	\$2, 124, 225	\$602, 359, 550	\$783, 840, 754	\$11, 667, 841	\$13, 370, 253
Total continental U. S.....	390	3, 001, 965, 761	428, 768, 311	661, 874, 268	10, 814, 963	5, 708, 875	586, 020, 431	787, 201, 629	11, 402, 351	12, 998, 738
Alabama.....	10	124, 640, 900	6, 055, 426	19, 678, 354	497, 322	119, 594	33, 098, 080	45, 305, 170	678, 778	1, 088, 546
Arkansas.....	1	10, 776, 113	3, 740, 813	5, 964, 990		164, 811				
Arizona.....	3	5, 475, 469	1, 665, 697	3, 557, 470	20, 000	6, 068				
California.....	48	352, 985, 564	33, 668, 089	52, 670, 461	789, 117	310, 032	92, 849, 785	100, 785, 340	1, 775, 070	1, 632, 779
Colorado.....	3	10, 244, 832	1, 697, 201	4, 623, 398	11, 927	85, 343	2, 112, 491	2, 713, 655	37, 196	40, 706
Connecticut.....	4	8, 182, 215	854, 508	1, 772, 126	15, 830	261	788, 395	1, 417, 587	12, 535	13, 035
Delaware.....	2	1, 024, 690	34, 852	150, 878	3, 119	2, 044	173, 571	458, 317	8, 267	6, 888
District of Columbia.....	3	6, 110, 182	335, 676	923, 907		62	304, 474	762, 842	10, 679	11, 442
Florida.....	18	110, 847, 348	17, 801, 047	39, 155, 020	845, 916	219, 328	17, 941, 486	20, 638, 002	269, 410	308, 347
Georgia.....	11	31, 612, 515	12, 690, 948	9, 637, 002	145, 660	101, 346	2, 553, 015	8, 068, 800	66, 460	76, 178
Idaho.....	1	341, 800	102, 962	130, 810	15, 680	598	5, 497	14, 151	198	213
Illinois.....	13	73, 674, 009	17, 334, 322	34, 291, 330	1, 400, 292	244, 288	5, 951, 213	4, 899, 712	66, 450	764, 619
Indiana.....	11	189, 063, 211	36, 948, 375	52, 634, 267	1, 644, 107	338, 355	12, 109, 596	16, 600, 278	232, 506	398, 803
Iowa.....	1	25, 533, 340	5, 400, 000	108, 000	9, 624	48, 600	4, 920, 000	8, 100, 000	113, 400	121, 500
Kansas.....	3	15, 714, 464	5, 489, 776	6, 124, 380	9, 624	152, 498	323, 653	220, 877	2, 709	3, 264
Kentucky.....	4	32, 726, 001	4, 494, 065	4, 778, 405	45, 708	11, 949	4, 469, 875	7, 991, 308	102, 320	185, 209
Louisiana.....	13	119, 136, 147	30, 149, 751	25, 625, 540	3, 452, 265	175, 471	18, 068, 451	27, 997, 723	477, 406	418, 813
Maine.....	4	32, 359, 590	187, 477	421, 089	15, 701	5, 104	9, 657, 051	14, 307, 573	257, 408	214, 391
Maryland.....	15	180, 201, 929	25, 835, 262	19, 690, 914	163, 540	52, 698	40, 821, 211	62, 117, 013	1, 083, 266	980, 946
Massachusetts.....	17	81, 525, 980	21, 450, 066	21, 408, 014	1, 306, 702	298, 264	8, 764, 640	14, 531, 254	302, 656	307, 941

Michigan	6	12,730,441	706,273	3,834,206	138,422	217	1,372,534	2,022,224	80,241	84,982
Minnesota										
Mississippi	3	22,403,520	7,878,454	11,348,100	194,579	1,544	934,033	824,456	11,543	8,400
Missouri	4	105,507,328	18,719,974	22,117,000	202,592	100,206	12,648,327	17,130,017	220,023	335,572
Montana										
Nebraska	1	7,243,366	422,326	455,580	2,370	152	1,930,302	2,728,276	38,196	40,925
New Hampshire	3	7,522,840	648,440	573,063	80,558	1,879	1,224,081	1,771,438	24,800	20,610
New Jersey	10	71,538,384	6,690,970	18,363,655	66,143	38,300	11,704,860	14,780,025	196,440	215,647
New Mexico	3	10,880,044	1,327,383	1,751,217	10,007	108,027	2,224,730	3,360,022	46,812	50,400
Nevada										
New York	10	66,424,374	5,682,980	8,408,188	217,874	124,303	10,880,219	21,280,756	297,306	317,036
North Carolina	6	124,179,684	23,352,799	22,440,843	35,452	300,082	20,398,551	33,816,126	513,039	506,363
North Dakota										
Ohio	6	70,502,979	9,935,601	15,203,040	354,329	217,899	13,823,563	16,106,239	67,974	349,657
Oklahoma	2	10,764,000	184,000	2,724,617	6,834	2,938	2,781,075	3,017,277	32,889	44,310
Oregon	7	114,441,304	1,003,476	4,268,192	92,066	56,175	38,647,269	44,560,267	756,023	606,550
Pennsylvania	26	201,508,497	13,492,166	39,772,110	14,833	82,442	54,776,848	51,663,074	766,704	717,041
Philadelphia	15	164,611,281	3,703,320	33,108,876		7,632	52,432,370	41,187,266	411,874	617,810
Rhode Island	10	64,310,122	12,200,497	11,236,134		292,924	12,368,994	19,393,968	271,039	290,369
South Carolina	13	32,521,598	6,244,654	10,213,427	43,329	250,369	2,187,267	4,923,458	64,773	73,705
South Dakota	1	128,500	38,944	51,685	4,266	85	4,066	8,715	122	131
Tennessee	3	42,896,449	14,946,425	13,106,583	25,997	799,615	2,632,833	2,146,116	30,045	32,192
Texas	26	278,783,972	39,497,378	80,331,281	1,322,658	593,693	55,226,421	64,925,354	1,033,330	1,093,972
Utah	1	403,000	3,018	104,159	1,768		152,082	113,441	1,588	1,701
Vermont										
Virginia	28	128,235,608	31,538,032	51,977,248	2,451,264	419,545	10,894,285	15,115,023	211,498	302,823
Washington	14	200,886,086	6,023,180	23,154,414	583,035	93,098	58,875,486	87,632,132	1,233,079	1,218,129
West Virginia	2	18,777,525	2,207,965	9,212,463	425,586	17,582	3,167,472	458,872	38,808	228,203
Wisconsin	1	30,466,000	305,937	665,012		12,136,063	6,898,288	94,576	103,475	
Wyoming	1	6,112,331	1,696,540	1,024,495		19,108	39,706	94,335	1,321	1,416
Total outside continental U. S.	15	110,824,092	21,292,212	35,364,698	355,646	415,350	16,339,119	26,549,125	265,490	370,515
Hawaii	7	76,891,176	12,947,746	20,383,080	203,830	267,640	13,372,145	21,215,046	212,150	318,226
Puerto Rico	8	39,932,916	8,444,496	15,181,908	151,816	147,710	2,990,974	5,234,079	53,340	62,200

* Estimated.

* Includes Philadelphia.

TABLE II.—*Expenditures for gasoline and other motor fuels by cost-plus-fixed-fee prime contractors and cost-plus-a-fixed-fee sub-contractors on four hundred and five (405) construction contracts on which construction had begun as of June 15, 1941*
 [Prepared in the Bureau of Labor Statistics, Division of Construction and Public Employment, U. S. Department of Labor]

State	June 1, 1940 to June 15, 1941				June 15, 1941 to completion			
	Gasoline		Other motor fuels		Gasoline		Other motor fuels	
	Value	Units (gallon)	Value	Units (gallon)	Value	Units (gallon)	Value	Units (gallon)
Total continental United States	\$2, 709, 233	37, 907, 874	\$1, 465, 228	21, 556, 326	\$7, 081, 085	97, 996, 007	\$5, 016, 085	76, 206, 068
Alabama	62, 866	722, 191	15, 147	222, 456				
Arizona	4, 470	28, 839			691, 990	8, 104, 673	177, 723	2, 783, 210
Arkansas	130, 621	1, 912, 616	20, 065	295, 900				
California	94, 133	1, 575, 951	145, 940	2, 084, 870				
Colorado	42, 415	597, 394	17, 922	314, 422				
Connecticut	14	197						
Delaware	630	10, 500	1, 410	19, 583	589, 364	9, 661, 704	894, 906	12, 785, 656
District of Columbia	28	311	32	438	20, 231	284, 944	8, 548	140, 965
Florida	116, 244	1, 709, 176	29, 009	580, 570	1, 126	15, 859	16, 650	234, 507
Georgia	41, 653	555, 373	24, 121	287, 156	5, 126	35, 467	4, 700	66, 111
Idaho	76	864			104, 081	2, 412, 956	5, 950	81, 507
Illinois	126, 550	1, 435, 013	97, 468	1, 103, 974	31, 403	415, 707	41, 794	819, 400
Indiana	151, 912	2, 625, 166	52, 044	830, 291	27	307	18, 185	216, 488
Iowa	20, 412	287, 349	12, 296	192, 125	446, 906	5, 729, 563	358, 841	4, 101, 926
Kansas	77, 469	1, 122, 739	26, 382	418, 762	777, 603	10, 231, 615	167, 164	2, 611, 931
Kentucky	6, 919	73, 707	2, 449	36, 015	51, 030	593, 372	30, 740	480, 313
Louisiana	86, 683	1, 238, 329	43, 166	419, 067	1, 684	22, 957	573	9, 065
Maine	5, 131	63, 347			130, 776	1, 720, 740	42, 181	620, 313
Maryland	28, 409	443, 900	17, 769	216, 965	263, 813	3, 768, 614	131, 163	1, 273, 427
Massachusetts	104, 649	1, 472, 521	31, 656	445, 559	214, 618	2, 600, 020	359, 880	4, 144, 922
					643, 135	8, 486, 484	38, 131	466, 634
					109, 430	1, 641, 177		

Michigan.....	146	1,304	19	279	29,572	237,260	3,435	50,516
Mississippi.....	406	5,413	313	4,290	3,253	43,373	2,511	33,922
Missouri.....	42,556	590,981	29,735	461,467	169,255	2,267,232	115,180	1,799,839
Nebraska.....	1,520	20,540			8,360	113,378		
New Hampshire.....	385	5,425			5,447	76,718		
New Jersey.....	10,333	175,580	23,517	326,625	61,012	1,016,867	136,221	1,895,041
New Mexico.....	42,346	960,979	18,041	501,139	19,757	420,392	8,417	233,806
New York.....	53,450	797,761	23,120	321,111	187,132	2,046,746	59,318	832,861
North Carolina.....	257,296	2,957,424	17,199	281,961	456,816	5,260,789	30,637	502,246
Ohio.....	90,378	1,197,136	29,064	507,178	192,547	2,500,616	51,047	911,558
Oklahoma.....	2,938	62,510			11,903	253,255	9,188	255,222
Oregon.....	30,228	431,628	24,336	324,480	328,560	4,694,143	265,537	3,027,160
Pennsylvania.....	26,126	373,257	48,964	715,941	247,691	3,538,443	461,563	6,787,691
Rhode Island.....	47,161	664,239	209,734	2,954,000	46,754	638,507	207,926	2,928,535
South Carolina.....	125,109	1,455,793	36,304	368,945	30,880	438,242	10,709	117,681
South Dakota.....					121	1,590		
Tennessee.....	354,023	4,481,304	100,964	2,688,225	14,809	187,456	7,983	112,436
Texas.....	282,189	5,356,232	99,436	1,775,479	694,502	12,398,975	238,566	4,260,112
Utah.....					1,701	13,900		
Virginia.....	191,595	2,100,762	102,513	1,389,785	213,925	2,376,951	177,046	1,748,571
Washington.....	10,615	87,095	69,345	1,326,900	147,966	1,213,062	924,961	18,499,220
West Virginia.....	10,212	130,336	4,010	54,195	160,734	1,064,367	62,545	845,200
Wisconsin.....					47,184	636,182	21,100	213,222
Wyoming.....	8,713	96,811	3,898	50,623	640	7,178	289	3,753
Total Outside Continental U. S.....	98,279	892,790	143,305	1,805,800	57,857	407,142	28,700	550,000
Hawaii.....	40,500	225,000	54,000	150,000	38,571	214,285		
Puerto Rico.....	57,779	577,790	89,805	1,653,900	19,286	192,857	29,700	580,000
Grand total.....	2,807,512	38,710,664	1,608,833	23,390,126	7,138,942	96,403,749	5,045,785	76,846,086

TABLE III.—*Estimated cost of operation, labor, material, and equipment on one hundred and forty-three (143) cost-plus-a-fixed-fee supply and equipment contracts*

[Prepared in the Bureau of Labor Statistics, Division of Construction and Public Employment, U. S. Department of Labor]

State	Number of contracts	Estimated cost of operation less fee	Cost of labor	Cost of material	Cost of equipment
Total.....	143	\$3,602,136,924	\$1,955,263,675	\$1,347,763,190	\$398,068,797
Alabama.....	6	83,017,500	55,913,500	26,929,000	29,061,000
Arkansas.....	2	38,775,000	31,443,000	7,332,000	9,548,420
California.....	21	837,980,566	396,662,622	306,373,674	500,000
Colorado.....	2	83,005,963	82,006,963	131,067,050	13,000,000
Connecticut.....	4	46,391,184	24,945,151	20,426,023	7,662,625
Illinois.....	7	97,427,014	71,553,770	25,907,244	22,555,111
Indiana.....	5	182,743,407	128,152,763	54,320,614	43,089,140
Iowa.....	3	95,489,304	64,644,054	30,815,200	16,078,000
Kansas.....	4	33,480,915	22,027,305	8,698,653	4,030,000
Kentucky.....	2	7,454,130	4,918,417	2,535,713	9,446,000
Louisiana.....	3	26,772,000	14,063,360	11,678,640	8,903,700
Maryland.....	3	179,869,203	82,740,016	52,943,000	0
Massachusetts.....	3	6,977,280	4,837,875	2,073,375	0
Michigan.....	13	604,541,476	314,013,360	266,656,166	23,539,470
Minnesota.....	2	63,366,350	39,480,673	23,905,677	11,085,000
Mississippi.....	1	12,875,000	10,565,480	2,319,520	1,091,000
Missouri.....	11	477,300,744	297,384,243	179,117,662	56,465,966
New Jersey.....	4	2,765,375	1,201,040	514,730	52,825
New York.....	20	275,084,937	148,906,266	86,827,563	18,403,149
Ohio.....	9	78,117,579	42,999,770	34,760,989	14,753,470
Oklahoma.....	1	22,612,500	7,667,354	14,925,146	13,952,200
Pennsylvania.....	7	52,587,508	30,700,368	21,535,696	4,100,100

Tennessee.....	2	43,700,000	5,612,604	37,087,396	12,994,800
Texas.....	2	52,190,000	40,962,170	11,227,830	15,587,600
Utah.....	1	54,486,350	34,053,970	20,432,380	11,985,000
Virginia.....	3	36,000,000	12,808,031	22,122,348	35,352,201
Washington.....	2	108,390,118	42,990,863	24,613,253	0
West Virginia.....	1	1,604,000	907,025	696,375	10,300,070
Wisconsin.....	1	135,000	0	0	0

* Includes \$12,316,470 purchased by Government.

* Includes \$8,172,962 purchased by Government.

Mississippi	4	585	6,550	325,260	4,645	495	26,005	26,459	105,554	495,648
Minnesota	15	20,247	265,888		81,741	207,203		214,478		786,747
Nebraska	1	103			5,669					5,772
New Hampshire	3	217			3,009					3,266
New Jersey	23	15,065			86,487					131,552
New Mexico	3	70,106			32,708					294,391
New York	39	44,755			65,256					159,579
North Carolina	6	194,302			114,524					1,712,133
Ohio	15	68,172			345,180					1,598,044
Oklahoma	3	2,750			102,365					398,412
Oregon	7	37,815			27,968					448,881
Pennsylvania	33	32,676			411,066					317,709
Philadelphia	(¹)				285,033					1,174,287
Rhode Island	10	108,547			107,611					216,158
South Carolina	13	113,079			33,355					187,235
South Dakota	1				62					1,178
Tennessee	5	268,878			11,247					280,125
Texas	28	285,287			664,764					960,031
Utah	2				756					269,226
Virginia	31	104,278			145,915					250,193
Washington	16	70,666			946,004					5,567,898
West Virginia	3	9,227			2,552,455					440,003
Wisconsin	2				141,478					29,976
Wyoming	1	3,872			29,976					30,000
Total Continental United States	533	2,486,675	5,099,311	23,223	6,740,117	8,508,806	1,537,396	5,174,542	2,253,987	33,007,438
Hawaii	7	16,278			15,000					765,606
Puerto Rico	8	105,433			35,500					142,133
Total outside United States	15	122,911			50,500					938,739

¹ Includes tax on overhead cost.

² Included in Pennsylvania.